



GENERAL ASSEMBLY

COMMONWEALTH OF KENTUCKY

2005 REGULAR SESSION

SENATE BILL NO. 97

FRIDAY, FEBRUARY 11, 2005

The following bill was reported to the House from the Senate and ordered to be printed.

RECEIVED AND FILED
DATE March 16, 2005
5:04pm

TREY GRAYSON
SECRETARY OF STATE
COMMONWEALTH OF KENTUCKY
BY R. Adler

AN ACT relating to group life insurance.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

1 Section 1. KRS 304.16-030 is amended to read as follows:

2 The lives of a group of individuals may be insured under a policy issued to an employer,
3 or to the trustees of a fund established by an employer, which employer or trustees shall
4 be deemed the policyholder, to insure employees of the employer for the benefit of
5 persons other than the employer, subject to the following requirements:

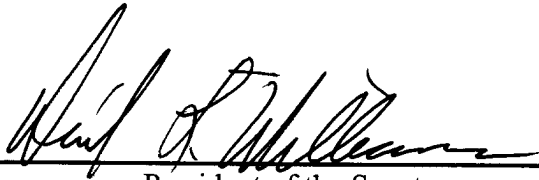
6 (1) The employees eligible for insurance under the policy shall be all of the employees
7 of the employer, or all of any class or classes thereof determined by conditions
8 pertaining to their employment. The policy may provide that the term "employees"
9 shall include the employees of one (1) or more subsidiary corporations, and the
10 employees, individual proprietors, and partners of one (1) or more affiliated
11 corporations, proprietors or partnerships if the business of the employer and of such
12 affiliated corporations, proprietors or partnerships is under common control through
13 stock ownership, contract or otherwise. The policy may provide that the term
14 "employees" shall include the individual proprietor or partners if the employer is an
15 individual proprietor or a partnership. The policy may provide that the term
16 "employees" shall include retired employees. No director of a corporate employer
17 shall be eligible for insurance under the policy unless such person is otherwise
18 eligible as a bona fide employee of the corporation by performing services other
19 than the usual duties of a director. No individual proprietor or partner shall be
20 eligible for insurance under the policy unless he is actively engaged in and devotes a
21 substantial part of his time to the conduct of the business of the proprietor or
22 partnership. A policy issued to insure the employees of a public body may provide
23 that the term "employees" shall include elected or appointed officials.

24 (2) The premium for the policy shall be paid by the policyholder, either wholly from the
25 employer's funds or funds contributed by him, or partly from such funds and partly

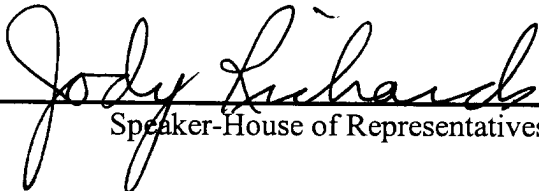
1 from funds contributed by the insured employees; except that the entire premium
2 may be paid from funds contributed by the insured employees if the amount of
3 insurance does not exceed \$2,000 on the life of any employee. A policy on which
4 part of the premium is to be derived from funds contributed by the insured
5 employees may be placed in force only if at least 75 percent of the then eligible
6 employees, excluding any as to whom evidence of individual insurability is not
7 satisfactory to the insurer, elect to make the required contributions. A policy on
8 which no part of the premium is to be derived from funds contributed by the insured
9 employees must insure all eligible employees, or all except any as to whom
10 evidence of individual insurability is not satisfactory to the insurer.

11 (3) The policy must cover at least two (2)~~ten (10)~~ employees at date of issue.

12 (4) The amounts of insurance under the policy must be based upon some plan
13 precluding individual selection either by the employees or by the employer or
14 trustees.

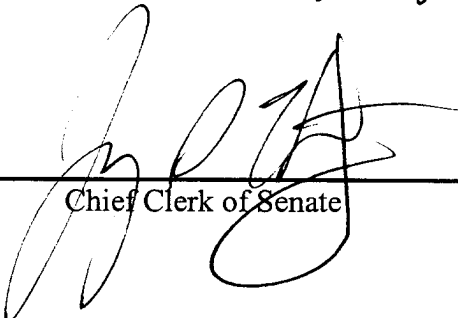


President of the Senate



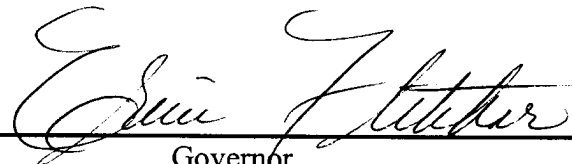
Speaker-House of Representatives

Attest:



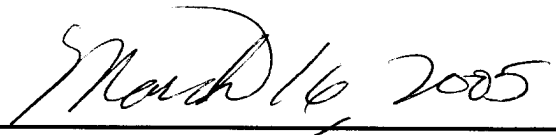
Chief Clerk of Senate

Approved



Governor

Date



March 16, 2005